



NC E-Procurement Update

North Carolina Statewide Purchasing Conference

April 2012

NC E-Procurement Background

Procurement Transformation
Impact

Upgrade Status



NC E-Procurement Components

NC E-Procurement provides the tools to improve the way the State of North Carolina purchases goods and services.

- An **enterprise e-procurement system**, based on Ariba software, allows the State to aggregate purchases to obtain better prices from suppliers
- Users are empowered to use online requisitioning with direct access to state term contracts via **online catalogs**
- Entities can choose to **decentralize the purchasing process** to the people needing supplies within their organization
- The **eQuote tool** allows users to submit requests for quotes to vendors for items below the formal bid requirements, replacing more manual quoting processes
- Orders and internal approvals are **routed electronically** and maintained for accountability
- A **common vendor file** that is maintained and updated through the Vendor Registration application



NC E-Procurement Footprint Today

- E-Procurement went live with pilot agencies in **October 2001**
- **233 different NC entities** now use NC E-Procurement
 - 46 State agencies/Institutions
 - 58 community colleges
 - 115 K-12 local school systems (LEAs)
 - 14 local governments
 - Over 15,000 NC users
- Over 45,000 registered vendors
- Over **3.8 Million** purchase orders issued
- ~ **\$22 Billion** in spending processed through the system
- ~ **530 electronic catalogs** representing over 140 Statewide Term Contracts available to users





Agenda

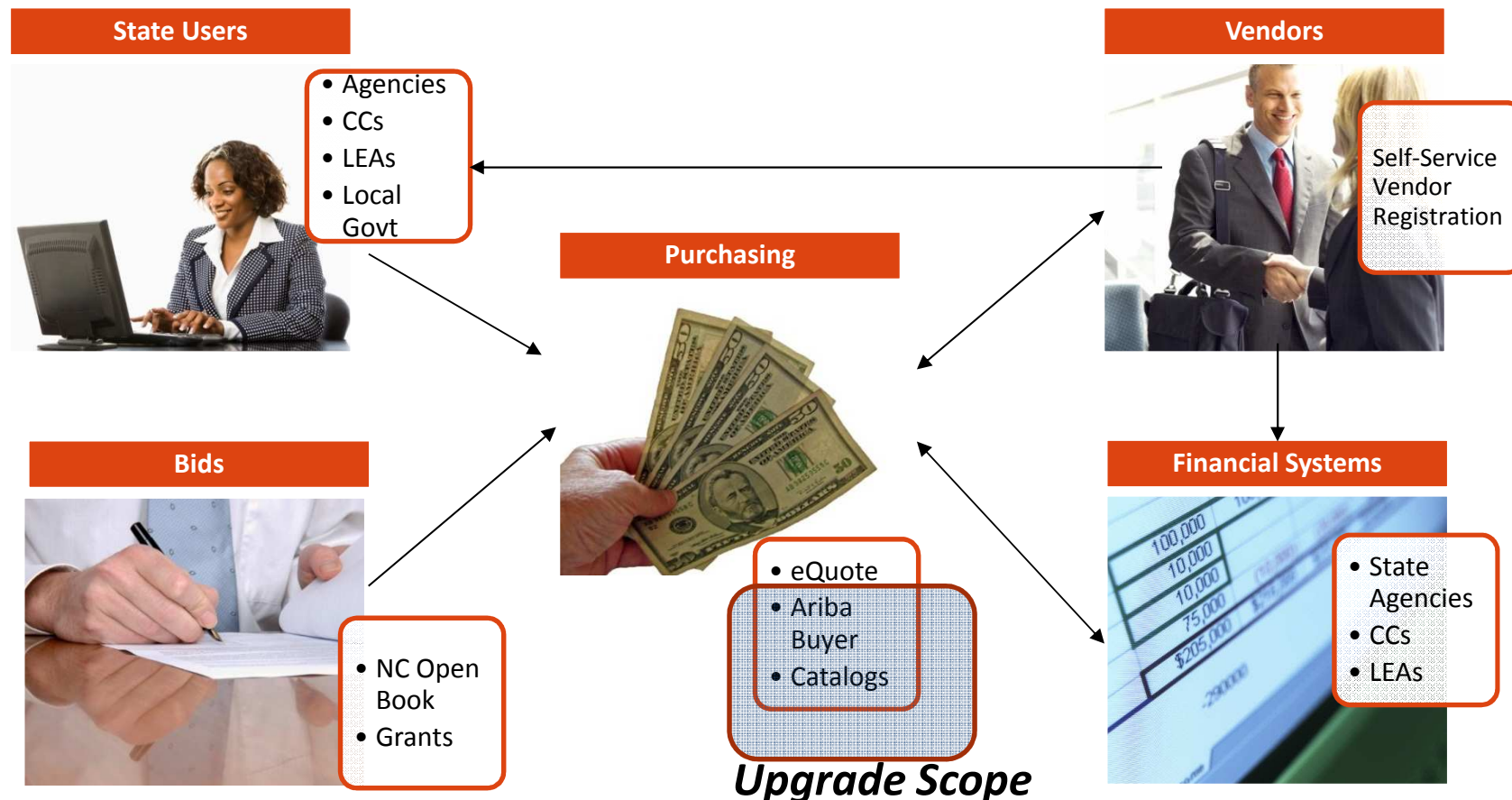
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Procurement Transformation Assessment

The Procurement Transformation Project included an assessment of the State's current procurement technology environment and presented options for improvement. This included a recommendation to upgrade the current NC E-Procurement system to the Ariba Buyer 9r1 software version.





Key Objectives

The Ariba Buyer Upgrade Project provides an opportunity to improve the NC E-Procurement application, driving increased efficiencies for the State

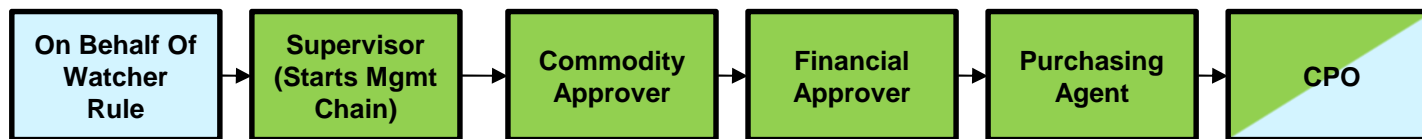
The upgrade provides opportunities for:

- **Approval flow optimization** to increase requisition process efficiency while maintaining required accountability.
- **Reviewing existing customizations to the base Ariba software** with a focus on replacing them with out of the box functionality in Ariba Buyer 9r1 where possible.
- **Improving catalog functionality** to provide better catalog adoption and search.
- **Using NCID** to streamline login authentication process for NC E-Procurement users.
- **Updating NIGP commodity code** structure to more current version
- Remove 10+ years of data to support **faster on-line response time**



Approval Flow Optimization

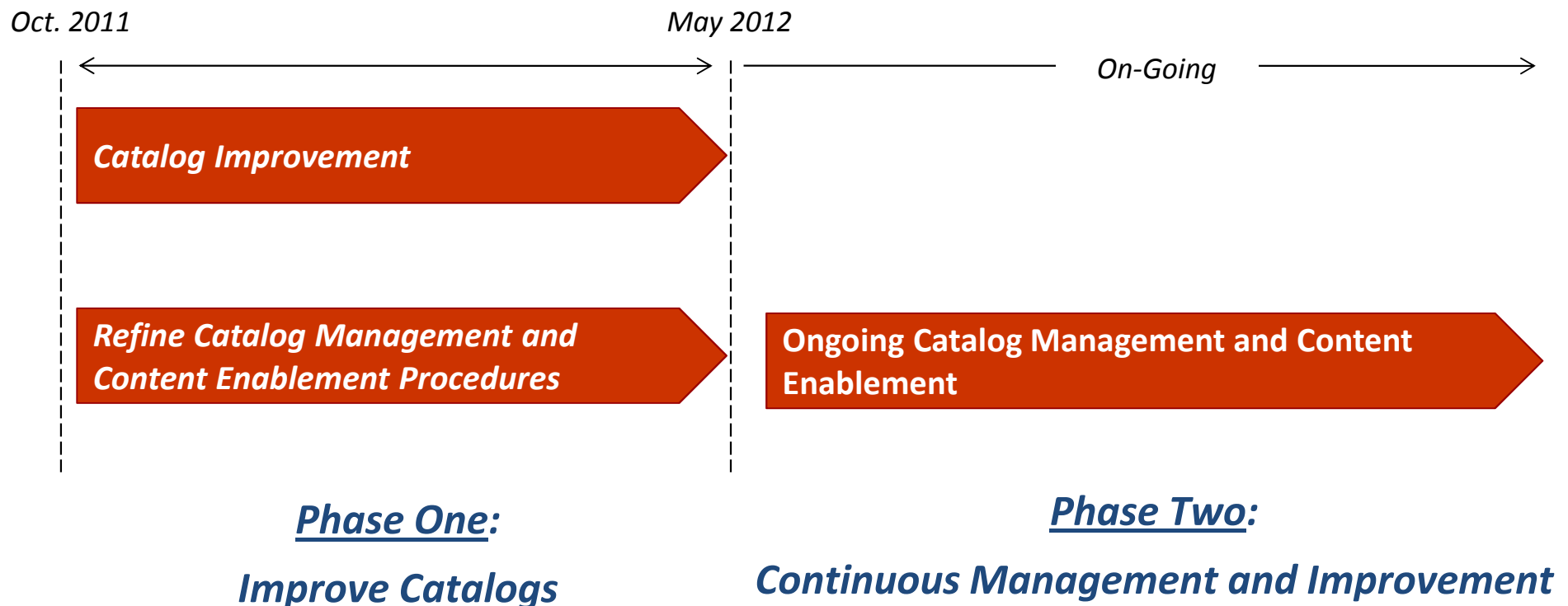
The new approval flow facilitates an effective procurement process for the State of North Carolina. It allows procurement professionals to focus on strategic initiatives and narrows the scope of tactical activities.



- “On Behalf Of” will always assign a watcher, but never an approver
- Agency Security Administrators should set appropriate management levels throughout the Supervisor Chain to provide the right level of oversight with a reasonable approval flow
- Commodity Approvers are triggered by a combination of 5-digit NIGP code and dollar threshold
- Financial Approvers can be mapped by cost center and triggered dollar threshold
- Purchasing Agent groups are mapped by commodity code
 - Agencies with only 1 Purchasing Agent group can map to all commodities with a single entry
- Purchasing Agents approve all non-catalog requisitions to ensure compliance
- Optional rule allows Purchasing Agents to approve catalog requisitions over a combination of commodity code and dollar threshold (i.e. Purchasing Agent approves catalog items over \$2,500.00)
- Chief Procurement Officers can be added to flow as a watcher or an approver based on a combination of commodity and dollar threshold (i.e. CPO approves requisitions greater than \$25,000.00)

Online Catalogs

The Catalog Improvement Initiative further develops catalogs in the short term and develops an ongoing approach to proactively manage catalogs and content going forward.





Online Catalogs

The Catalog Improvement Initiative targeted improvements in areas which would be most impactful for end users.

During this phase of the Catalog Improvement Initiative:

- **169 contracts and 503 catalogs were reviewed** at a high-level to determine which ones should be targeted for a more in-depth review and refinement
- A specific **improvement approach was developed and executed for 116 catalogs** spanning 30 contracts
 - These 116 catalogs account for **87% of the total dollars spent through catalogs** and **80% of total line items purchased through catalogs**
- **Catalog procedures were revised** and updated standardized documentation developed to ensure **leading class catalog standards are applied consistently**
- An **end user communication and outreach** approach is being defined to keep users **more informed about catalogs and how to use them effectively**

Catalog Improvement Example:

Original Catalog Entry:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Supplier SKU	Product Description	Retail Unit Price	Net Unit Price	UOM	Manufacturer Name	Manufacturer SKU	Commodity Code	Good or Service	Recycled	ETA (Lead Time) in Days	Product URL	Category	Sub Category	B-Form Name	B-Form Field 1	Options 1
2	JCDH49	JOURNEY SE,PW,PL,CRUISE,5PASS.2ND SEAT FLAT FOLDING,AMFMCD,KEYLESS	20,790.00	16,815.57		DODGE	JCDH49										
3		FLAT FOLD,AM/FM CD,KEYLESS ENTRY,RR DEFROSTER,TRACTION CONTROL,AUTO,2.4 ENGINE															
4																	
5	JCDE49	JOURNEY SXT,3.6,7 PASS,AM/FM CD,RR DEFROSTER,TRACTION CONTROL,AUTO,AC	26,290.00	19,084.60		DODGE	JCDE49										

Catalog Entry Post Improvement Process:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Supplier SKU	Product Description	Retail Unit Price	Net Unit Price	UOM	Manufacturer Name	Manufacturer SKU	Commodity Code	Good or Service	Recycled	ETA (Lead Time) in Days	Product URL	Category	Sub Category	B-Form Name	B-Form Field 1	Options 1
2	JCDH49	Crossover, Item 2, 2012, Dodge, Journey, SE, Gasoline, GVWR 5005 lbs, Payload 1003 lbs, 173 HP, 4 Cyl, 2.4L, Four Door, Five Passengers, Front Wheel Drive, 2nd Seat Flat Folding, Traction Control, Automatic, Cruise Control	\$20,790	\$16,816	EA	Dodge	JCDH49	070-48	G	N	120	http://www.dodge.com		ariba.common.bform.ColorBForm	Color		,Exterior:black-Interior:black,Exterior:white-Interior:black,Exterior:silver-Interior:black
3	JCDE49	Crossover, Item 3, 2012, Dodge, Journey, SXT, Gasoline, GVWR 5005 lbs, Payload 1003 lbs, 283 HP, 6 Cyl, 3.6L, Four Door, Seven Passengers, Front Wheel Drive, AM/FM, Traction Control, Automatic, A/C	\$26,290	\$19,085	EA	Dodge	JCDE49	070-48	G	N	120	http://www.dodge.com		ariba.common.bform.ColorBForm	Color		,Exterior:black-Interior:black,Exterior:white-Interior:black,Exterior:silver-Interior:black

Timeline & Approach

The upgrade has taken place over the course of 15 months, with a focus on key efficiency objectives, maintaining compatibility with existing financial system interfaces, and facilitating a smooth user transition.

April 2011

November 2011

July 2012

Plan & Design

- Review Current Functionality
- Identify Hardware Requirements & Begin Procurement
- Install & configure base 9r1 Ariba Buyer application
- Deliver Functional Design

Build

- Establish migration path
- Correct and migrate base code line
- Re-implementation of approved customizations and configuration
- Implementation of new features & functionality
- Replace Integration Architecture

Test & Train

- 3 System Test Passes (Base functionality, customizations, integration, batch, scripting)
- User Acceptance Testing
- Performance Testing
- Develop & Deliver Targeted Stakeholder Training Materials

Deploy

- Detailed Implementation Planning
- Agency Readiness Communications
- Round the Clock Implementation Schedule



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New Features & Functionality

The Ariba Buyer Upgrade project will provide new features and functionality to make purchasing processes easier for all users, including:

- Dashboard Style Home Page
 - Easy access to Unified Search, My Documents, and To Do content
- New “To Do” Content Portal
 - Gives quick visibility to required actions
- Standard Folders Replaced
 - Items moved to Dashboard
- Personal Folders Replaced with “My Labels”
 - Users can tag favorite documents, using keywords, to be retrieved using the Unified Search content screen
- Requisitioning made easier
 - No more wizards, select the item you need and add it to your cart



New Features & Functionality

- Catalog Enhancements
 - Stem searches finds words that contain part of the specified search word (e.g. “battery” will search for “battery” and “batteries”)
 - Fuzzy search returns exact and highly relevant matches even though search argument words and spellings may not exactly match
 - Side-by-side catalog item comparison
- Enhanced History Tab
 - Provides an audit trail for edits and deletion of comments and attachments
- Set Tax Rate by Entity
 - The team will work with each entity to identify and set a default tax rate, specific to their entity



New Functionality Highlights

Users can search for any transaction directly from the Home Dashboard. My Labels will be used to organize transactions.

NCE-Procurement Ariba® SPEND MANAGEMENT Home | Logout
Welcome Laura Haakenson

Create Search Manage Recent Preferences

Home Dashboard

Configure Tabs Refresh Content

Common Actions

Create

- eRequisition
- AddressMaintenance
- UserMaintenance

Manage

- Receive
- Administrator
- Reports

Search

Catalog

- eRequisition
- Direct Order
- ERP Order
- Purchase Order
- Receipt
- More...

Keywords: **Search**

APPLIANCES, ELECTRICAL, CLOCKS (7122)

- APPLIANCES (8)
- ELECTRICAL EQUIPMENT (7114)

BUILDING MATERIALS, MAINTENANCE (2)

- 031-11: Blowers: Industrial Types (2)

CLOTHING & TEXTILE ITEMS (110)

- CARPET AND FLOOR MAINTENANCE AND MACHINES (110)

EDUCATIONAL & ATHLETIC EQUIPMENT, SUPPLIES (2)

- 580-10: Band Instruments and Accessories (2)

FOOD & RELATED ITEMS

- 165-92: Vending Machines, Non-Refrigerated (1)
- 740-85: Vending Machines, Refrigerated (1)

FURNITURE (OFFICE, EDUCATIONAL AND HEALTH CARE) (1663)

- 420-00: FURNITURE: CAFETERIA, CHAPEL, DORMITORY, HOUSEHOLD, LIBRARY, LOUNGE, SCHOOL (484)
- 425-00: FURNITURE: OFFICE (1179)

OFFICE EQUIPMENT & SUPPLIES/PAPER/PRINTING (3210)

- OFFICE EQUIPMENT AND SUPPLIES (2999)
- PAPER AND PAPER PRODUCTS/PLASTICS (57)
- 080-65: Service Awards, Specialty Type (98)
- 395-00: FORMS, CONTINUOUS: COMPUTER PAPER, FORM LABELS, SNAP-OUT FORMS, AND FOLDERS FOR FORMS (56)

More Categories ...

Recently Viewed

- RQ20000005 U...d Requisition

Purchasing Links

E-Procurement Resources

- [NC @ Your Service Portal](#)
- [Customer Service](#)
- [Punchout Catalog Availability](#)
- [Registered Vendor Search](#)

Purchasing Sites of Interest

- [Purchase & Contract](#)

To Do

ID	Date ↓	From	Status	Title	Required Action
No items					

My Documents

ID	Title	Date ↓	Status
RQ20000005	Untitled Requisition	4/22/2012	Composing
UP61	New User Profile for Laura Haakenson	4/22/2012	Processed

[View List ...](#) (2)



New Functionality Highlights

Users will be directed to the Catalog Home page when creating requisitions. The Catalog Navigation Panel allows users to quickly refine search results.

NCE-Procurement A R I B A[®] SPEND MANAGEMENT

Home | Logout

Welcome Laura Haakenson

Customize

Create Search Manage Preferences

RQ20000005: Untitled Requisition Items: 0 Total: \$0.00000 USD Summary Exit

Add items to your requisition from the catalog or from your favorites groups. You can also enter details for non-catalog items.

Catalog Home Browse By: Categories | Suppliers

Catalog Search Options Create Non-Catalog Item

Supplier

- B.W.Wilson Paper Co. (6)
- DOVE DATA PRODUCTS, ... (5)
- GODWIN MFG CO INC (22)
- Hampden Engineering ... (1849)
- SOUTHERN ... (4497)
- Show All ...

Language

- English (15313)

Favorites

- Recent Choices -

APPLIANCES, ELECTRICAL, CLOCKS (7122)

- APPLIANCES (8)
- ELECTRICAL EQUIPMENT (7114)

BUILDING MATERIALS, MAINTENANCE (2)

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POLICE & SAFETY EQUIPMENT (299)

- 680-00: POLICE EQUIPMENT AND SUPPLIES (165)
- 345-32: First Aid Cabinets, Kits, and Refills (134)

SERVICES (CONTRACTUAL & CONSULTANT) (1860)

- 910-09: Carpet Cleaning, Dyeing, Installation and Repair (1)
- 918-28: Computer Hardware Consulting (5)
- 920-31: Installation of Computers, Peripherals, and Related Equipment (Including Software) (8)
- More ...

TECHNOLOGY ITEMS (2029)

- 880-46: Projection Stands, Tables, etc., Standard and Rear-Projection Types (2)
- COMPUTERS AND RELATED ITEMS (2027)

TRANSPORTATION (VEHICLES & SUPPLIES INCLUDING MARINE) (40)

- TRANSPORTATION, VEHICLES AND SUPPLIES (40)

Uncategorized Items



New Functionality Highlights

Users can now search for values by entering the search criteria directly in the field and clicking “Enter”.

NCE-Procurement A R I B A * SPEND MANAGEMENT Home | Help | Logout
Welcome Scarlett Swain

Create Search Manage Recent Preferences

RQ20000636: Untitled Requisition Items: 0 Total: \$0.00000 USD OK Cancel

If you cannot locate an item in the catalog, request a non-catalog item using the fields below. Non-catalog items may take longer to process because your purchasing department may get involved to complete the order. Add the ...

Full Description: *	Enter a description for this item.	Quantity:	1
Commodity Code: *	485	Unit of Measure:	each
Supplier:	Search for more...	Stock Keeping Unit:	
Location:	(no value)	Conversion Factor:	1
ItemID:	(none selected)	SKU Quantity:	1
WarehouseID:	(none selected)	Price:	\$0.00 USD
Bid Number:	(none selected)	Tax Rate:	Other
Supplier Part Number:		Tax Amount:	\$0.00 USD
Recycled Content?	<input type="radio"/> Yes <input checked="" type="radio"/> No	Amount:	\$0.00000 USD
Item Classification:	Good		
Contract Type:	No		
Blanket Purchase?	<input type="radio"/> Yes <input checked="" type="radio"/> No		

Update Total

ACCOUNTING - BY LINE ITEM

Company:	(none selected)
Account:	(none selected)
Center:	(none selected)



New Functionality Highlights

The “Search for more...” option will now produce a pop-up window with related search results. Commodity Code selection has been improved; users will now be able to drill through the commodity hierarchy, as well as searching on keywords in the description.

The screenshot displays the NCE-Procurement Ariba Spend Management interface. The main window shows a requisition form for 'RQ20000636: Untitled Requisition'. The form includes fields for Full Description, Commodity Code (set to 485), Supplier, Location, ItemID, WarehouseID, Bid Number, Supplier Part Number, Recycled Content?, Item Classification, Contract Type, and Blanket Purchase?. The 'ACCOUNTING - BY LINE ITEM' section shows Company, Account, and Center dropdowns.

A pop-up window titled 'Choose Value for Commodity Code' is open, showing a search results table. The table has columns for Name and ID, and a 'Select' button for each row. The search field is set to 'Name' and the value '485' is entered. The results list various commodity codes and their descriptions, including brushes, skin cleaners, soap, and janitorial supplies.

The total amount is \$0.00000 USD. The interface includes navigation links (Home, Help, Logout) and a welcome message for Scarlett Swain.

Name ↑	ID	Select
▶ 145-00 - BRUSHES (SEE CLASS 485 FOR JANITORIAL TYPE)	145-00	Select
435-70 - Skin Cleaners, Antimicrobial: Emollient, Nonalkaline, etc. (See Class 485 for Janitorial Hand and Skin Cleaners)	435-70	Select
435-72 - Soap, Surgical Scrub (See 485-85 for Janitorial Type Scrubbing Soap)	435-72	Select
436-70 - Skin Cleaners, Antimicrobial: Emollient, Nonalkaline, etc. (See Class 485 for Janitorial Hand and Skin Cleaners), Environmentally Certified Products	436-70	Select
436-72 - Soap, Surgical Scrub (See 485-85 for Janitorial Type Scrubbing Soap), Environmentally Certified Products	436-72	Select
▶ 485-00 - JANITORIAL SUPPLIES, GENERAL LINE	485-00	Select
630-45 - Paint and Varnish Removers (Includes Painted Graffiti Removers) (See 485-16 for Other Types of Graffiti Removers)	630-45	Select
631-45 - Paint and Varnish Removers (Includes Painted Graffiti Removers) (See 485-16 for Other Types of Graffiti Removers), Environmentally Certified Products	631-45	Select
810-27 - Fogging Machines for Outdoor Service (See 485-60 for Room Type)	810-27	Select



New Functionality Highlights

Error Messages are summarized at the top of the screen and each individual error is highlighted with the explanation on the field encountering the problem.

NCE-Procurement Home | Logout
Welcome

Home | Create | Search | Manage | Recent | Preferences

RQ20000015: Untitled Requisition Items: 0 Total: \$0.00000 USD OK Cancel

If you cannot locate an item in the catalog, request a non-catalog item using the fields below. Non-catalog items may take longer ...

Full Description: * Quantity:

Commodity Code: Unit of Measure:

Supplier: Price:

Location: Tax Rate:

Bid Number: Tax Amount:

Supplier Part Number:

Recycled Content? ☐ Yes ☒ No Amount:

Item Classification:

Contract Type:

Blanket Purchase? ☐ Yes ☒ No

Update Total

Error Message: There is 1 problem that requires completion or correction in order to complete your request.

Field Error: *Commodity codes ending in -00 are not allowed. Please select a different commodity code.

NCID Interface Benefits

Single point of administration and control for simplified management and standardized processes for the State, agencies, end users, and customer applications.



- **Users will begin to leverage their NCID** user ID and password when logging into the NC E-Procurement application
- **Improved security** through better policy management and consistent requirements for applications such as username standards, password complexity, security questions, and password history
- **Robust user management features** such as user ID and password recovery, account locking and unlocking, streamlined user management for delegated administrators, and enhanced user reporting



Historical Data Approach

Historical data will not be transferred to the upgraded system, and the existing system will be used for archival purposes of historical data.

- **NC E-Procurement contains over 10 years of historical data** including over 3 million Purchase Orders
- Historical data will not be converted to the new NC E-Procurement system but will **remain accessible for reference** in the existing system
- In addition, the existing NC E-Procurement system will be available for a limited time in parallel to the upgraded system to **allow NCAS agency users to complete open transactions**
- After the transition period, the old Ariba solution will be deactivated and users will be restricted to **read-only access** in the old system for viewing transactions



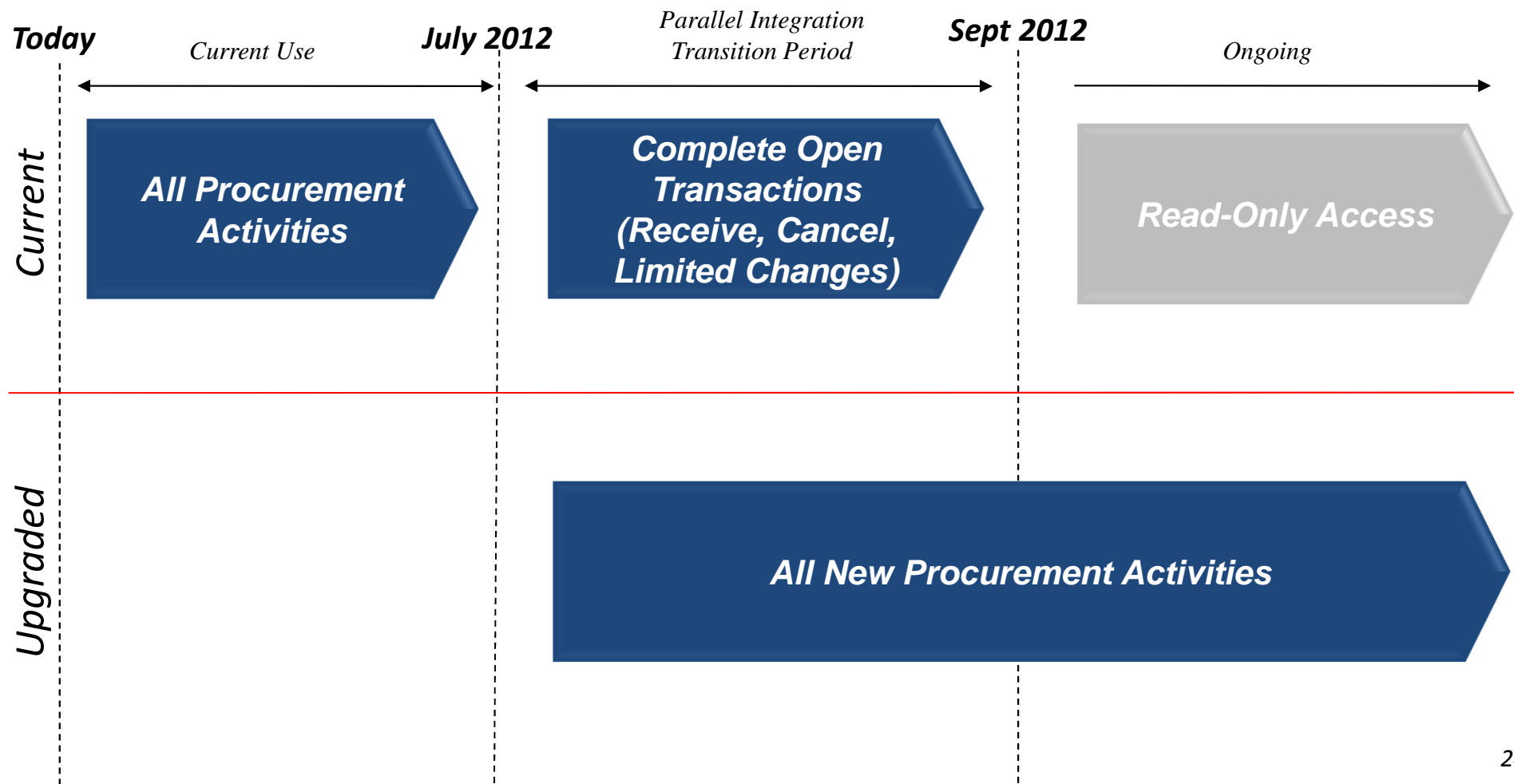
Historical Data Approach

The existing NC E-Procurement will remain available for a limited time after go-live to facilitate NCAS agency users to complete open transactions.

- The current NC E-Procurement will remain available for a **limited time beyond implementation** of the new NC E-Procurement, so that users may complete their open transactions only.
- Users will be **limited to receiving or canceling open orders** in the old system. Users can 'change' open orders but only to complete them by reducing the line item quantities to the amount already received.
- Users will not be able to create or submit any requisitions in the old system. All **new transactions must be created in the new NC E-Procurement** system.
- Users will access the old system using their **existing user name and password**. Users will access the new system with their **NCID**.

Historical Data Approach

This approach provides a limited timeframe in which users can access both systems and close out any orders open as of July 2012.



Training is available in several formats to update current users on changes and provide training assets to be used going forward

- Updated **job aids** on the NC E-Procurement web site – first phase will be **available in the coming week**
- “What’s New” **classroom training** and **webinars**
- Online **training modules** provide a new means of training current and future system users on system functionality



“What’s New” Classroom Training

“What’s New” classroom training sessions give primary contacts hands-on access to the upgraded NC E-Procurement system and face-to-face contact with the upgrade team

- **Regional training** sessions will be held in six regions across the State:
 - Western NC
 - Triangle
 - Triad
 - Charlotte area
 - Eastern NC
 - Southeastern NC
- **Targeted audience** is key designated entity contacts
- Sessions will be held in **mid-May** through **mid-June**
- Trainers will review a **“What’s New” presentation** and give participants an opportunity to try out business scenarios in the **training environment**



“What’s New” Webinars

“What’s New” webinars provide an opportunity for larger numbers of users to learn in a live, virtual environment from the NC E-Procurement team

- Webinars will be an **hour and a half**:
 - **Tuesday, June 12th** for NCAS agencies
 - **Thursday, June 14th** for Community Colleges
- **Targeted audience** is any NC E-Procurement user
- Users are encouraged to **attend webinars in small groups** to learn together.
- Participants can **submit questions online** to be addressed by the presenters.
- Sessions will be **recorded for future viewings**.





Online Training Modules

Online training modules provide a self-paced, on-demand environment in which users can refresh or build their NC E-Procurement knowledge.

- **New online training modules** will provide more detailed training on general system functionality, not just new features:
 - Requisitioning
 - Approving
 - System Navigation
 - Reporting
 - System Administrator
 - Advanced Purchasing
 - Receiving (for NCAS agencies)
- Online training will be **available to users** on the NC E-Procurement web site to access individually on their own schedule beginning in late May
- Training will include **demonstrations** with audio commentary and opportunities for participants to reinforce their knowledge
- Online modules will be a valuable asset going forward for **onboarding new employees**

Preparing for the First Day

What do you need to be ready for the first day of the new NC E-Procurement?

Prior to Go-Live

- Complete open orders where possible
- Attend “What’s New” training
- Access your NCID account

On the First Day

- Enter requisitions in new system
- View historical transactions in old system as necessary
- NCAS Agencies: Complete open transactions in old system

After Transition Period

- Old system will be read-only
- All transactions will be completed in new system





Learn More

- Attend one of the **workshops today** at **1:00 and 2:30 pm** to see the new NC E-Procurement in a training environment
- To view **training materials**, please visit eprocurement.nc.gov
- If you have further questions, please contact the **NC E-Procurement Help Desk**:
 - Phone: 888-211-7440, option 1
 - Email: ephelpdesk@its.nc.gov